

**PX 406**

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15 VIDEO TRANSCRIPTION

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24 Diversified Reporting Services, Inc.  
25 (202) 467-9200

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1 P R O C E E D I N G S

2 RPLI\_SEC 1100541\_HIGHLY CONFIDENTIAL

3 MR. GARLINGHOUSE: Oh, yeah. Some of you are  
4 wondering hey, Brad, what's up? We just met yesterday.  
5 Why are we getting back together?

6 I wanted to spend some time talking about some  
7 of what's going on in the XRP markets. And I was first  
8 going to start with a joke about you know, some of you  
9 may not know, this is a true fact. The original holiday  
10 party theme was going to be the Roaring Twenties. I'm  
11 not making that up. I'm not making that up.

12 Last night when I got there I made the joke  
13 about 50 Cent and all that stuff. I wanted, and even a  
14 couple of you privately I was going to make a joke about  
15 the 80s and we didn't get quite all the way there. It  
16 turns out it didn't take very long to get to the 80s.  
17 But look, the point is not actually to get up here and  
18 celebrate what's going on in the XRP markets. The point  
19 is to share three quick things. Then I have got a  
20 surprise.

21 The first one is today has been really

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22 fricking stressful for me. Like honestly I have not --  
23 I have been grumpy. For those of you who have been in  
24 meetings with me, you're kind of sick of me already.  
25 Actually, they're usually sick of me, but particularly

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1 today. And you might say -- I saw that, Ashish. And  
2 you might say, why are you stressed? This is exciting.  
3 This is -- what's going on in those XRP markets is  
4 exciting, and by the way, it is good for the company.

5 I've been stressed because every time the  
6 price of XRP goes up, the expectations on everyone in  
7 this room go up. The expectations on me go up. The  
8 expectations that everyone has about what Ripple is  
9 trying to do goes up. Now, to be clear, I do not think  
10 what's going on in the XRP markets is a direct  
11 reflection of everything going on at Ripple. That is  
12 not a one to one thing, right? The XRP markets get  
13 excited about some stuff, you're like, okay, you know.  
14 Crypto Kitties? Not sure what to do with that.

15 But the way I think about this is, you know,  
16 I'd say five years ago the company started. We planted  
17 a seed that we wanted to grow into an internet of value.

18 A few years ago we decided hey, it's not just an  
19 internet of value but it's also, let's really focus on  
20 banks. And that tree has started to grow. What has  
21 happened now is the height of that tree has gotten  
22 really high. But the trunk of the tree hasn't grown as  
23 fast as the height of the tree. This happens in Silicon  
24 Valley, right? Companies grow really quickly but the  
25 infrastructure underneath those companies doesn't

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1 necessarily scale as quickly as the business and as, you  
2 know, some reflection of the business, externally.

3 So when I think about that, I think hey, that  
4 happened to Uber. Uber grew so freaking fast. They  
5 could not hire people fast enough. They had more and  
6 more demands. Guess what? The tree grew so fast and  
7 the trunk was thin enough that it caused a whole lot of  
8 swaying. Maybe Uber didn't break, but it certainly has  
9 caused a lot of friction, and Uber, you know, some of  
10 those things are reflected now.

11 So what stresses me out is the height of the  
12 tree, the expectations are really high. The trunk  
13 hasn't built out, and everybody in this room needs to  
14 help build out that trunk. We've got to invest in the  
15 trunk. We've got to invest in the pieces to make sure  
16 that we're in a position to deliver on those high  
17 expectations. The good news is we are trying to do



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18 something pretty profound, and the expectations can and  
19 maybe even should be really high, because we're making  
20 great progress. We talked about that yesterday.

21 But I'm just sharing with you guys my stress  
22 that I was ranting with some of the leadership team  
23 about is really, is kind of germinates from there. All  
24 right? So that's the first point.

25 Second point, and this is a do as I say, not

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1 as I do. Look. It is incredibly distracting. I am the  
2 first to admit today, yes, I've checked XRP more today  
3 than I probably have in the last week combined.

4 And that is bad. That -- I mean, not -- yes,  
5 it was good news. You're like, ooh, wow. The bad thing  
6 is, we have customers. We have products that need to  
7 ship. We have, you know, finance needs to be done.  
8 Legal stuff that needs to be done. What I worry about  
9 is this distracts us from the mission. This distracts  
10 us from what we're trying to get done.

11 And again, look, I get it today. Super  
12 (inaudible) in the markets, I don't know, somebody --  
13 how much total volume traded in XRP today? That's a big  
14 number, six billion.

15 So, look. It's easy to get distracted by this  
16 for sure. I just want to remind everybody, like  
17 everybody gets a free buy card today because I'm giving  
18 myself a free buy card. My ask is, look, when we come  
19 to work tomorrow, we got to make shit happen. And we  
20 can't let the XRP markets be a constant reflection of  
21 how we think we are performing. We need to go do our  
22 thing. And again I will say, over the longer arc of  
23 time, I truly believe if we can execute successfully,  
24 the opportunity is huge, and we can do great stuff.

25 Now, my good friend [REDACTED]

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1 appropriately said to me, now Brad, you're kind of being  
2 schizophrenic here. Like a week ago you were like, hey,  
3 we need to stay in that top pack, you know, blah, blah,  
4 blah. And now it's like woah, we're way in the pack,  
5 hold on, shit.

6 So, look, I acknowledge that. I don't want to  
7 pretend I don't -- aware of my own behaviors on this.  
8 It is important to me that we stay in that top pack, and  
9 I think it's important to the success of the business.  
10 I also admit to you, part of my stress is the more we  
11 are in the spotlight the more everything we do is going  
12 to be scrutinized, both by customers and community and  
13 regulators and legal evaluations. And so, it's kind of

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14 just a reminder of all those things.

15 All right. So the second one -- let's not be  
16 too distracted. Today we have a buy but tomorrow we've  
17 got to get back to work. We've got customers to serve,  
18 we've got products to ship, all those things. And I am  
19 embarrassed to say, my third point was -- what was my  
20 third point? Fuck. No, that was the fourth point was  
21 the surprise.

22 All right. I forgot -- Monica, what was my  
23 third point, do I remember? (No audible response.) All  
24 right, it was great, I tell you. It was really good.

25 I'm going to go downstairs and I'm going to  
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1 forget and I'm going to be like God damn it. All right?

2 You might get an e-mail from me later. I'm trying to  
3 stall to see if I remember what it was. All right. Oh,  
4 that is exactly -- [REDACTED] (phonetic), boom, nice work.

5 In all seriousness, so some of you guys know,  
6 there is a live stream. We're going to do these kind of  
7 community live streams more often, via Twitter. We're  
8 doing one today at 5:15, and we kind of tweet out, "Hey,  
9 what questions do you have for Brad?" And I'm going to  
10 go answer a bunch of questions. And we did that at  
11 Swell.

12 Actually, David Schwartz is going to do one  
13 next week, I think on the 21st, is that right? (No  
14 audible response.)

15 So one of the questions that got tweeted at me  
16 was roughly, "Hey. It seems like everybody at Ripple  
17 has made a bunch of money. Why do you still go to  
18 work?" And actually I want to answer this question.  
19 And the reason is, we have just gotten started. Like  
20 this isn't about a destination of getting XRP to 85  
21 cents. It's about truly a mission of enabling an  
22 internet of value. And I really mean -- like I feel  
23 like, I have no problem --

24 MAN IN AUDIENCE: (Inaudible.)

25 MR. GARLINGHOUSE: I agree with that 100  
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1 percent. Like I come to work and I think it's fucking  
2 awesome.

3 (Applause.)

4 MR. GARLINGHOUSE: So, look. I say that  
5 because I recognize there's people in this room who  
6 either because of the equity you own in Ripple, which is  
7 certainly more valuable when XRP is at 85 cents, or it's  
8 because you owned XRP directly and you made a bunch of  
9 money, I want to remind people like, we have a job to do



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10 here. We have a mission that we subscribe to, and I  
11 still very much believe in that mission. I think we  
12 have a huge opportunity and I think we've just gotten  
13 started. So look, I'm thrilled people feel like they  
14 have a little bit more money but I also want to remind  
15 you like, we've got to show up to work tomorrow. We've  
16 got to get shit done. And if we do those things, it's  
17 going to work out great in the long run.

18 Thank you, [REDACTED] for reminding me.

19 All right. The last thing is, we have a  
20 holiday present which we -- I think sort of had done a  
21 good job of keeping as a surprise. [REDACTED] is standing  
22 over there, and she and I and a couple other volunteers  
23 are going to be -- and [REDACTED] and somebody else, I don't  
24 know, we are going to shed this crazy jacket because  
25 it's really fricking hot.

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1 (Inaudible) one of those over there. We have  
2 some fancy new Ripple swag. It's everybody's holiday  
3 gift. It's a nice jacket. You can't quite see it over  
4 there, but you can kind of see it.

5 (Applause.)

6 MR. GARLINGHOUSE: All right. I'll do --  
7 let's do -- well, if people have any questions they want  
8 to comment on, questions, thoughts, concerns? Brad shut  
9 up, let me go get my present?

10 (Laughter.)

11 MR. GARLINGHOUSE: [REDACTED] no? Your arm sort  
12 of went up there. You're stretching it out, yeah. All  
13 right, you guys are easy on me. That was it. Thank you  
14 for coming together at the last minute. I think it's  
15 important. And look, we should be excited. We have a  
16 long journey ahead though. We've got a ton of resources  
17 to go prosecute that opportunity, so let's go charge the  
18 hill. Thanks, guys.

19 (Applause.)

20 (End of video.)

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1 TRANSCRIBER'S CERTIFICATE

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3 I, Christine Boyce, hereby certify that the foregoing  
4 transcript consisting of 9 pages is a complete, true  
5 and accurate transcription of all matters contained on

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